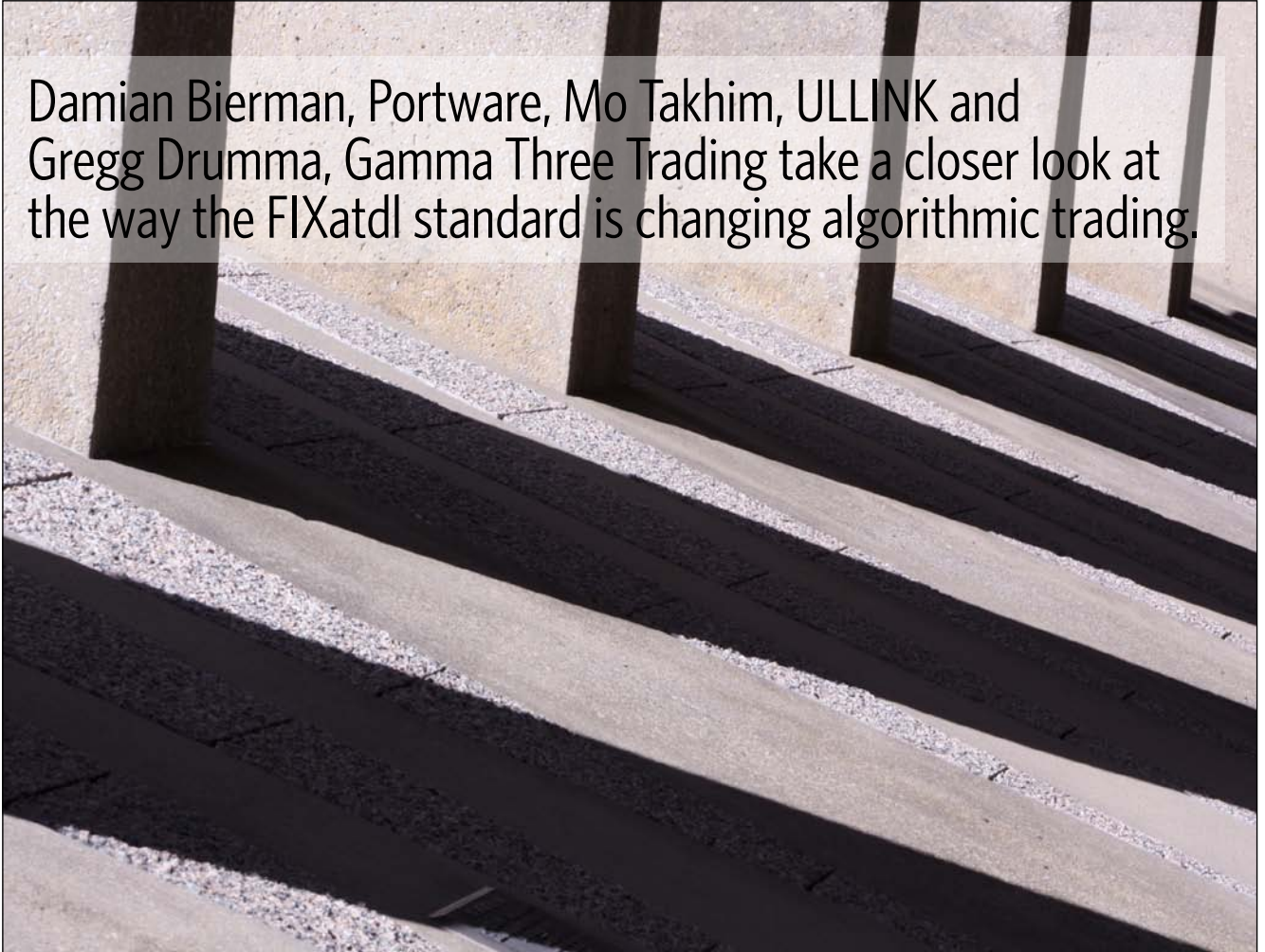




Will FIXatdl revolutionise the way Algos will work?

Damian Bierman, Portware, Mo Takhim, ULLINK and Gregg Drumma, Gamma Three Trading take a closer look at the way the FIXatdl standard is changing algorithmic trading.



Damian Bierman,
Head of Asia- Pacific Operations,
Portware

Without a doubt, FIXatdl is going to revolutionize the way algos work.

On the front-end, FIXatdl standardizes an algo suite's data flow, controls, and layout. Traders like it because it provides a more predictable look-and-feel, and an overall more consistent user experience.

On the back-end, platforms supporting FIXatdl will benefit from greater ease of maintenance and updates. With FIXatdl, updates to algo specifications, or customizations that brokers wish to present to their clients, can be realized by updating a single file. Gone will be the days of having to

undergo lengthy development / release cycles to affect what may be conceptually a very simple change to a couple of tags for a particular strategy. By using FIXatdl, firms will be able to significantly decrease the time-to-market for new and updated trading strategies.

Considering the advantages and current maturity of the FIXatdl standard, it appears that widespread adoption is just around the corner. The ever increasing need for customer controlled order behavior and the chase for best execution dictates a change in the current process, and FIXatdl is a great recipe for delivering it.



Mo Takhim,
Head of Managed Services,
ULLINK

Ask any broker how seamlessly their algorithms are currently implemented in each buy-side system and even the most sophisticated algorithm

providers will agree that this is a painful process that not only is expensive to them, but more importantly, time consuming.

The question remains, with the progress this industry underwent over the past few years, how does this issue still exist, while the usage of algos has skyrocketed to unprecedented levels? Enter FIXatdl, the FIX algorithmic trading definition language. It was designed based on the input from several market participants representing broker-dealers, OMS/EMS vendors, buy-side users and other vendors.

From a buy-side perspective, clients can benefit from access to their brokers' algorithmic trading strategies as soon as they are available in FIXatdl XML format, thereby significantly reducing the resources and time spent on performing analysis and development.

From a sell-side perspective, algo providers are able to develop and build FIXatdl compliant algorithms in a matter of hours instead of months. Brokers and other algorithm suppliers also have the ability to customize specific strategies based on their client needs and submit the XML file to be rendered immediately in their client's front-end system.

This creates a whole new race in the vendor space. A few core EMS vendors have been pro-active in the adoption of FIXatdl and are already offering this service to their clients and others are slowly following their steps.

There is no argument that the potential upside of FIXatdl is huge. The reality is that the race to adopt FIXatdl has already started; the only question that remains is when you will join?



Gregg Drumma,
Founder,
Gamma Three Trading

With the release of FIXatdlSM, which allows algorithmic trading strategy providers to release their specifications in the industry standard, computer readable XML format, FIX Protocol Limited has created a standard that will enable firms across the industry to significantly decrease the time-to-market for new and updated trading

strategies. When asked whether FIXatdl will revolutionize the way algorithmic interfaces are created and consumed, one must look beyond the technical requirements to understand how the current process works today. In my experience working with broker/dealers on introducing algo trading to the buy-side, it became apparent how many Order/Execution management systems (OMS/EMS) each broker had to integrate with. While there are large vendors of OMS/EMS solutions with hundreds of clients, there are many more in-house systems that are built with internal IT staff under many different technologies.

Brokers are looking to get their latest products to the buy-side as soon as possible. The buy-side looks to take advantage of the offerings when they are available. For buy-side vendor solution providers, the process of incorporating new or updated algorithmic interfaces can sometimes be a form of consulting revenue. Meanwhile, the challenge for internally built systems is to allocate limited development resources

away from system maintenance and support. As such, it's no surprise that the current process of reading a spec and implementing it can cause months of delay until a final solution is rolled out into production.

With FIXatdl this process can be significantly accelerated by the following:

- 1) Broker/Dealers can release their current specs as a document and/or in FIXatdl format.
- 2) Broker/Dealers need to ensure a mutual benefit of adoption to the buy-side vendor solutions.
- 3) Finally vendors and internal solutions must allocate development resources to build to the spec in their chosen technology. Since the broker/dealer specifications would now be available in FIXatdl format, there is incentive to do so.

Any thoughts about this or other articles?

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